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Executive Offices
1845 Walnut Street
Philadelphia, PA 19103

Laventhol & Horwath
Certified Public Accountants

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NATIONAL TREND OF BUSINESS

Lodging Industry

A SERVICE TO THE CLIENTS OF LAVENTHOL & HORWATH

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JULY 1983 COMPARED WITH JULY 1982

OCCUPANCY LEVEL STABILIZES;
TOTAL SALES INCREASE 3 PERCENT

The occupancy rate for July 1983 was 67.1 percent, only 0.7 percent below last July's level. Although an increase over last year was not attained, as was expected, three of the five regions we analyzed posted healthy increases in occupancy. Properties in the North Central region, for example, achieved an almost four and a half percent rise over last year's results. Economy lodging facilities posted both the highest occupancy rate, 78.4 percent, and the largest increase, over 6 percent. Highway properties, which tend to cater to both families traveling for pleasure and company representatives traveling for business purposes, also experienced increases in occupancies. The decline in occupancies for center city and suburban locations can be attributed to the reduction in convention spending by many companies by either shortening the stay, decreasing the number of participants at meetings, or cancelling unnecessary functions.

An increase in room sales of over 4 percent combined with higher food and beverage and other revenues increased total sales by 3 percent over last year. Once again the bulk of these increases stemmed from the business generated in facilities located along highways. The average receipt per cover increased $.35 over last year while the ratio of both food cost to food sales and beverage cost to beverage sales remained constant when compared to last July.

Even though there were indicators at the beginning of the year which were pointing to a healthy recovery this summer, the rate of this recovery has been quite slow and seems to have stabilized. For the first seven months of 1983, the occupancy rate has declined 1.2 percent to 65.7 percent. At this point, it will be difficult for the industry to show much more than a one percent increase in occupancies over 1982. With room sales per occupied room and total sales per occupied room increasing 3.3 percent and 2.5 percent, respectively so far this year and double occupancy climbing 5.2 percent, total revenues should increase about 3 percent for the year.

	Projections	Actual Last Year
September 1983	67-66%	63.3%
October 1983	67-69%	67.5%
November 1983	59-61%	59.3%

SEASONALLY ADJUSTED OCCUPANCY RATES FOR THE MAJOR CLASSIFICATIONS

	This Month	Percentage Changes*
TOTAL U.S.A.	63.5%	– 1.8%
AFFILIATION:		
Chain	64.0	– 3.1
Independent	60.4	– 5.9
AREA:		
Northeast	66.7	– 3.1
Southeast	63.5	– 7.9
North Central	60.7	– 0.8
South Central	59.7	– 3.5
West	69.9	+ 3.8
LOCATION:		
Center City	59.8	– 4.4
Suburban	64.5	– 0.4
Highway	68.2	+ 2.8
Airport	64.5	– 4.0
Resort	60.1	– 11.8
SIZE:		
Under 150 rooms	66.7	+ 1.6
150 to 299 rooms	63.0	– 2.3
300 to 600 rooms	63.2	– 1.8
Over 600 rooms	62.6	– 6.5
TYPE:		
Hotel	61.5	– 3.4
Motor Hotel	65.3	– 2.3
Economy	66.3	+ 2.4

*FROM PREVIOUS MONTH

Randell A. Smith, Associate Director
Chris Bodnar, Research Associate
Research and Development

TREND REPORT JULY 1983 COMPARED WITH JULY 1982

	SALES PERCENT CHANGE				OCCUPANCY PERCENT		DOUBLE OCCUPANCY PERCENT		ROOM SALES PER OCCUPIED ROOM		TOTAL SALES PER OCCUPIED ROOM	
	TOTAL	ROOMS	F&B	OTHER	JUL	% CHG	JUL	% CHG	JUL	% CHG	JUL	% CHG
TOTAL	3.0	4.3	0.1	0.8	67.1	-0.7	72.3	2.4	$ 52.15	4.0	$ 74.88	2.7
REGION:												
Northeast	5.6	6.1	4.4	3.6	67.4	2.7	51.8	-4.8	$ 71.23	4.6	$100.86	4.0
Southeast	10.1	14.2	1.6	4.9	69.4	3.6	115.3	2.4	50.14	7.2	73.46	3.4
North Central	7.8	8.9	5.0	10.5	66.9	4.4	49.6	-0.2	42.90	3.2	63.68	2.1
South Central	-10.2	-9.8	-10.3	-14.5	60.6	-10.0	55.5	6.1	45.74	-0.7	65.15	-1.1
West	5.6	6.7	2.9	4.4	74.6	-0.1	71.8	-2.4	53.38	5.5	74.82	4.5
AFFILIATION:												
Chain	3.1	4.3	-0.1	2.5	68.2	-0.9	68.9	3.9	$ 51.24	3.8	$ 71.57	2.7
Independent	2.6	4.2	0.5	-3.5	63.0	-0.5	82.9	-1.4	55.56	4.6	87.26	3.0
LOCATION:												
Center City	0.8	1.2	-0.3	1.2	60.0	-2.3	54.1	-2.2	$ 62.05	3.5	$ 90.80	3.0
Suburban	1.0	1.9	-1.0	-0.1	68.9	-1.0	60.4	4.9	45.37	2.3	65.05	1.4
Highway	10.6	11.9	5.4	9.4	75.0	1.1	93.2	6.5	40.55	7.9	51.53	6.7
Airport	0.5	1.3	-0.8	-6.6	67.3	-0.4	37.6	-4.8	46.58	0.8	67.23	-
Resort	4.8	8.0	-0.6	-0.5	70.0	-0.6	127.7	2.2	64.31	6.7	99.77	3.6
SIZE:												
Under 150 Rooms	2.3	3.7	-2.2	-2.6	74.0	-1.6	80.2	5.1	$ 39.67	4.7	$ 50.83	3.3
150 to 300 Rooms	3.3	4.3	1.3	-0.5	67.8	-0.1	59.4	-1.7	46.88	3.9	67.49	3.0
300 to 600 Rooms	2.3	3.2	0.7	-2.2	63.9	-2.0	80.3	6.9	58.72	3.6	86.66	2.6
Over 600 Rooms	3.7	5.6	-1.0	4.1	62.6	0.3	77.7	0.9	68.22	3.3	101.86	1.5
TYPE:												
Hotel	1.6	2.6	-0.3	0.1	62.5	-2.0	63.8	0.9	$ 61.63	3.8	$ 93.88	2.8
Motor Hotel	5.3	6.8	1.1	2.6	71.5	-0.1	82.9	3.0	44.24	5.0	59.10	3.6
*Economy	5.8	6.3	-0.2	-13.5	78.4	6.2	85.5	10.3	31.38	4.2	32.47	3.7

* Economy data is based on a sample of properties taken from the National Trend of Business in the Economy Lodging Industry.

\- NO CHANGE

FOOD AND BEVERAGE REPORT - JULY 1983 COMPARED WITH JULY 1982

	F&B SALES PER OCCUPIED ROOM		AVERAGE RECEIPT PER COVER		FOOD COST PERCENT OF FOOD SALES		BEV COST PERCENT OF BEV SALES		F&B PAYROLL PERCENT OF F&B SALES		F&B PAYROLL PER COVER		NUMBER COVERS SERVED
	1983	1982	1983	1982	1983	1982	1983	1982	1983	1982	1983	1982	% CHG
TOTAL	$25.52	$25.50	$ 7.77	$ 7.42	0.35	0.35	0.21	0.21	51.0	49.3	$ 5.44	$ 5.08	-3.1
REGION:													
Northeast	$29.00	$27.77	$ 9.67	$ 8.99	0.34	0.34	0.20	0.20	57.6	57.3	$ 7.85	$ 7.34	-2.8
Southeast	23.45	23.09	7.58	7.35	0.35	0.36	0.22	0.21	47.4	46.5	5.05	4.83	-1.6
North Central	25.74	24.52	6.80	6.67	0.35	0.36	0.22	0.22	49.1	48.5	4.40	4.31	5.4
South Central	22.03	24.55	6.90	6.72	0.36	0.35	0.22	0.22	48.0	43.9	4.70	4.22	-11.9
West	29.90	29.06	8.14	7.54	0.34	0.35	0.22	0.23	51.8	49.7	4.95	4.47	-0.5
AFFILIATION:													
Chain	$22.50	$22.51	$ 7.48	$ 7.12	0.34	0.34	0.21	0.21	50.3	48.5	$ 5.34	$ 4.96	-3.8
Independent	37.54	37.36	8.54	8.24	0.36	0.37	0.22	0.23	53.2	51.6	5.73	5.46	-1.1
LOCATION:													
Center City	$27.33	$27.41	$ 8.76	$ 8.21	0.34	0.34	0.21	0.21	58.4	55.6	$ 6.96	$ 6.24	-6.3
Suburban	22.57	22.80	7.08	6.90	0.36	0.36	0.23	0.22	46.5	46.0	4.57	4.60	0.1
Highway	17.28	16.40	6.12	5.89	0.36	0.37	0.23	0.23	42.9	41.6	3.53	3.37	3.5
Airport	23.21	23.39	6.53	6.19	0.35	0.36	0.22	0.21	46.7	46.1	4.12	3.94	-1.7
Resort	37.05	37.27	8.45	8.06	0.35	0.36	0.21	0.21	44.9	43.4	5.08	4.69	-4.6
SIZE:													
Under 150 Rooms	$25.71	$26.29	$ 6.15	$ 5.87	0.39	0.40	0.24	0.24	43.7	42.3	$ 3.48	$ 3.33	-3.6
150 to 300 Rooms	22.46	22.17	7.01	6.61	0.35	0.36	0.22	0.23	44.8	44.9	4.38	4.17	-4.0
300 to 600 Rooms	26.18	25.99	7.67	7.19	0.34	0.34	0.22	0.22	52.1	51.1	5.34	5.03	-2.0
Over 600 Rooms	29.53	29.83	9.55	9.38	0.34	0.33	0.19	0.19	58.8	54.3	7.64	6.98	-2.7
TYPE:													
Hotel	$30.71	$30.80	$ 8.59	$ 8.21	0.34	0.34	0.21	0.21	53.5	51.4	$ 6.28	$ 5.80	-3.7
Motor Hotel	18.29	18.10	6.05	5.72	0.36	0.37	0.22	0.22	44.4	43.6	3.74	3.57	-1.8

YEAR TO DATE TREND REPORT - AS OF JULY 1983

	SALES PERCENT CHANGE				OCCUPANCY PERCENT		DOUBLE OCCUPANCY PERCENT		ROOM SALES PER OCCUPIED ROOM		TOTAL SALES PER OCCUPIED ROOM	
	TOTAL	ROOMS	F&B	OTHER	JUL	% CHG	JUL	% CHG	JUL	% CHG	JUL	% CHG
TOTAL	2.0	2.8	0.2	2.7	65.7	-1.2	54.4	5.2	$ 51.27	3.3	$ 77.61	2.5
REGION:												
Northeast	4.7	4.8	4.2	6.8	66.3	0.9	38.9	5.4	$ 68.95	4.8	$106.44	4.7
Southeast	11.3	14.5	4.5	9.0	74.4	8.3	91.9	4.8	53.41	3.0	79.88	0.2
North Central	3.0	4.0	0.9	5.1	59.1	0.7	38.3	-2.3	39.81	3.1	63.86	2.1
South Central	-11.4	-11.9	-10.1	-12.2	61.1	-12.1	41.6	2.2	47.46	-0.6	70.28	-0.1
West	5.2	6.2	2.9	6.5	69.6	-1.1	54.0	0.2	49.87	6.4	72.98	5.4
AFFILIATION:												
Chain	2.1	2.7	0.4	4.2	66.4	-1.8	51.8	5.4	$ 49.94	3.2	$ 74.05	2.7
Independent	1.6	3.1	-0.5	-1.5	62.7	0.3	64.5	1.9	56.81	3.3	92.46	1.8
LOCATION:												
Center City	0.3	0.6	-0.9	3.6	62.1	-1.9	43.2	2.6	$ 63.13	2.7	$ 97.84	2.3
Suburban	-2.9	-3.1	-2.2	-3.7	64.2	-4.7	43.3	4.1	45.22	1.0	69.58	1.3
Highway	8.6	9.3	5.8	10.6	67.2	0.4	67.2	10.5	36.15	6.7	48.56	5.9
Airport	0.1	0.2	0.1	-1.5	58.9	-2.0	32.0	-3.3	47.67	1.6	73.40	1.5
Resort	6.2	9.0	1.3	3.5	70.9	2.5	101.9	2.8	54.98	5.4	102.49	2.7
SIZE:												
Under 150 Rooms	1.4	1.7	0.3	2.3	64.7	-3.4	58.6	3.5	$ 35.18	5.1	$ 46.46	4.8
150 to 300 Rooms	0.2	1.0	-1.1	-2.3	66.1	-1.5	48.9	3.4	45.77	2.3	69.17	1.5
300 to 600 Rooms	0.1	0.7	-1.2	1.3	64.1	-2.4	56.2	4.9	59.20	1.7	93.45	1.1
Over 600 Rooms	6.0	7.4	2.8	8.1	67.9	3.2	57.2	9.6	71.83	2.2	113.07	0.8
TYPE:												
Hotel	0.9	1.6	-0.5	2.0	64.6	-2.0	48.6	3.6	$ 63.57	3.0	$102.77	2.3
Motor Hotel	4.4	5.1	2.1	5.8	68.0	-0.1	62.6	7.2	42.73	3.7	59.87	3.0
Economy	1.7	1.8	8.9	-19.7	62.5	-1.6	52.9	0.6	26.00	5.1	26.95	4.9